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PASS TO WHA CENTRAL AMERICAN COLLECTIVE

SIPDIS

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TAGS: [PGOV](#) [KCRM](#) [KJUS](#) [ASEC](#) [SNAR](#) [GT](#)
SUBJECT: COLOM RESHUFFLES CABINET AT SIX MONTHS

REF: GUATEMALA 830

Classified By: Charge David A. Lindwall for reasons 1.4(b),(d).

11. (C) Summary: Just over six months into his Presidency, Alvaro Colom has replaced some members of his cabinet and indicated that further changes may be forthcoming. While publicly defending his administration's progress to date, in private Colom has expressed growing frustration with the slow pace at which several of his key plans and programs have been implemented. Officials removed so far include the Ministers of Health and Agriculture and the Secretary of Planning, while the head of the Superintendence of Tax Administration has informed Post that she plans to resign soon. End Summary.

ROCA TO LEAVE TAX SUPERINTENDENCE

12. (C) The head of the Superintendence of Tax Administration (SAT), Carolina Roca, told us she planned to resign her position at the end of July (please protect). Roca, one of only two top-level officials who were retained from the previous administration (the other being the President of the Central Bank), has a reputation for being honest and successfully modernizing Guatemala's traditionally corrupt and inefficient tax and customs administration. She was recently recognized by the World Customs Organization for the improvements made during her three and a half years at the SAT.

13. (C) Roca, who was appointed to the position by President Berger in 2004, mentioned that her role had been greatly diminished in the Colom administration. She is not invited to cabinet meetings and was not part of the core group that developed the tax reform package currently being pressed by the Colom administration. Roca noted she had twice been hospitalized for stress and felt that her health is at risk. She plans to take a sabbatical to pursue advanced studies at Harvard. Superintendent of Banks, Edgar Barquin, confirmed Roca's suspicion to Econoff, noting that Roca was a holdover from the previous administration and not part of "Colom's team." Barquin asserted that Colom had asked for her resignation because he "just didn't trust her." The Embassy enjoys an excellent relationship with Roca and supported her modernization efforts directly through a Treasury Department/Office of Technical Assistance program and a U.S. Trade and Development Agency grant.

FIGUEROA DEPARTS AS SECRETARY OF PLANNING

14. (C) Oscar Figueroa, the Secretary for Planning, was also removed. Figueroa is a leftist academic specializing in agriculture. He had been one of the key advocates for state intervention in the economy and helped engineer some of the more ill-considered economic policy announcements during the

first six months of the Colom administration, from which Colom later retreated. Figueroa was one of the driving forces behind plans to place price ceilings on key consumer goods and mandate that farmers devote at least ten percent of their land to planting grains such as corn. His departure is being met with relief by Guatemala's private sector. No replacement for Figueroa has yet been announced.

NEW MINISTER OF HEALTH

15. (C) On July 16, former Technical Vice Minister of Health Celso David Cerezo Mulet replaced Eusebio del Cid as Minister of Health. Colom explained the reshuffle to reporters as "an evolution of the work" initiated by del Cid, who reportedly will remain in the Executive in an advisory capacity. Del Cid was viewed as ineffective in providing direction and strategy on public health and in consolidating power within his Ministry. He reportedly felt overshadowed by Vice President Espada (a heart surgeon who has taken an active role in promoting health care reform), and did not get along with First Lady Sandra Torres de Colom, who leads development of GOG social policy.

16. (SBU) The Embassy had a good relationship with del Cid. Del Cid worked with USAID in the late 1980s prior to his first appointment as Minister of Health. Based on that experience and his long-standing professional relationship with a locally employed staff, del Cid opened the door to USAID technical assistance. He requested technical assistance to help draft the National Health Plan, which serves as the basis for the sector-wide approach of the G13 donors and the GOG. Del Cid also requested USAID assistance to improve the quality, efficiency, and transparency of several Ministry of Health administrative operations. Del Cid's inability to effectively manage his ministry, however, posed challenges in actually implementing on programs.

17. (C) The Embassy has had relatively little contact with the new Minister of Health, who is reportedly close to the First Lady. USAID worked most closely with him on the issue of immunizations but was unsuccessful in persuading him to include DPT3 immunizations as part of this year's Measles and Rubella vaccination campaign in an effort to improve Guatemala's performance on the MCC "Investing in People" immunizations indicator.

18. (SBU) Cerezo has a background in social security administration. He served as General Manager of the Guatemalan Social Security Institute (1988 - 1991) and as Director of the Rural Water Development Unit, which is partially financed by USAID. He also served as president of the National Medical Board (AMA equivalent). Cerezo, an OB-GYN specialist, graduated from the University of San Carlos medical school. Cerezo was instrumental in the implementation of the "My Family Progresses" Conditional Cash Transfer (CCT) program, as well as in the installation of sanitation and potable water systems in the poorest municipalities.

NEW MINISTER OF AGRICULTURE

19. (SBU) On July 17, Julio Recinos Salas replaced Raul Robles as Minister of Agriculture. Shortly after being sworn in, Salas stated that his first priority was guarantying food security in Guatemala. Salas studied economics at the University of San Carlos and has extensive experience in Guatemala's cooperative agriculture sector. For the last 20 years he has served as the Director General of the Federation of Agriculture Cooperatives of Guatemala (FEDECOAG), and has been involved with various NGOs and organizations focused on rural development and agriculture issues.

110. (SBU) Ex-minister Robles had maintained good relations with the private agriculture sector, but was widely seen as an ineffective leader. Robles, removal had been expected

for some time as President Colom reportedly had grown increasingly frustrated with the lack of progress of key Agriculture Ministry programs. Robles reportedly has been offered a position as a presidential assistant.

¶11. (C) Comment: Del Cid, Robles and Figueroa were arguably the weakest members of the Cabinet and their departure was well received by the media and many of our contacts. We do not anticipate significant changes in our good relationship with their respective ministries. Roca's expected departure will be a big loss, but she is sanguine that Colom will pick a capable replacement. The names we have heard bandied about are encouraging.
Lindwall